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ACTION EAP-00

INFO	LOG-00	NP-00	AGRE-00	AID-00	ACQ-00	CEA-01	CIAE-00
	CTME-00	DOEE-00	SRPP-00	DS-00	EB-00	EXIM-01	E-00
	FBIE-00	VC-00	FRB-00	H-01	TEDE-00	INR-00	ITC-01
	LAB-01	L-00	VCE-00	AC-01	NRRC-00	NSAE-00	OES-01
	OMB-01	OPIC-01	PA-00	PM-00	PRS-00	ACE-00	P-00
	SP-00	SSO-00	STR-00	USIE-00	PMB-00	DSCC-00	DRL-02
	G-00	FDIC-01	NFAT-00	SAS-00	/012W		

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FM AMEMBASSY HANOI
TO SECSTATE WASHDC PRIORITY 0330
INFO NSC WASHDC PRIORITY
DEPTTREAS WASHDC PRIORITY
USDOC WASHDC PRIORITY
SECDEF WASHDC PRIORITY
JOINT STAFF WASHDC PRIORITY
USCINCPAC HONOLULU HI//J5/FPA// PRIORITY
DIA WASHDC PRIORITY
ASEAN COLLECTIVE PRIORITY
AMEMBASSY BEIJING PRIORITY
AMCONSUL HONG KONG PRIORITY
AMEMBASSY TOKYO PRIORITY
AMEMBASSY SEOUL PRIORITY

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SIPDIS

STATE ALSO FOR EAP/BCLTV, E, EB, DRL, INR/EAP
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STATE PASS USTR AMB FISHER/DAUSTR DAMOND
WHITE HOUSE FOR DEP/ASST TO POTUS LBRAINARD
NSC FOR RAVIC HUSO
SECDEF FOR ISA/EAP LEW STERN
USDOC FOR 4431/MAC/AP/OKSA/HPPHO
USDA FOR FAA/AO/SHUETE

E.O. 12958: DECL: 7/10/2010

TAGS: PGOV ECON ETRD PREL VM

SUBJECT: CENTRAL COMMITTEE BLESSES KEY POLITICAL AND ECONOMIC REPORTS AFTER DEBATE ON GLOBALIZATION

11. (U) CLASSIFIED BY DCM DENNIS HARTER;
REASONS 1.5 (B) AND (D).

12. (C) SUMMARY: THE TENTH COMMUNIST PARTY PLENUM,
WHICH CONCLUDED JULY 4, FOCUSED PRIMARILY ON
FINALIZING KEY POLICY DOCUMENTS FOR THE NINTH PARTY
CONGRESS NEXT MARCH. THE CENTRAL COMMITTEE MEMBERS
AGREED ON DRAFT TEXTS OF THE POLITICAL REPORT, FIVE-
YEAR ECONOMIC PLAN, 10-YEAR SOCIAL/ECONOMIC STRATEGY
PLAN, AND PARTY STATUTE, ALL OF WHICH NOW GO TO LOCAL
AND PROVINCIAL PARTY CONGRESSES FOR DISCUSSION
BEGINNING IN AUGUST. GENERAL SECRETARY PHIEU NOTED
THE PARTY WILL CONTINUE TO ADHERE TO A MULTI-SECTOR
ECONOMY IN WHICH THE STATE PLAYS A LEADERSHIP ROLE,
AND HE CALLED FOR CONTINUING THE PARTY-BUILDING AND
RECTIFICATION CAMPAIGNS, WHICH HE ADMITTED HAD MET
WITH LIMITED SUCCESS. THE PLENUM FEATURED BROAD
DEBATE ABOUT THE POSITIVE AND NEGATIVE IMPACT OF
GLOBALIZATION ON VIETNAM AND GAVE GENERAL ASSENT TO A
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GOVERNMENT INITIATIVE TO DEVELOP A "KNOWLEDGE-BASED
ECONOMY" TO MAKE GREATER USE OF INFORMATION
TECHNOLOGY. ACCORDING TO PARTY OFFICIALS, THERE WAS
NO SPECIFIC DISCUSSION OF THE BILATERAL TRADE
AGREEMENT OR PERSONNEL ISSUES. END SUMMARY.

PLENUM FINALIZES DRAFT REPORTS FOR PARTY CONGRESS

13. (U) THE 165 CURRENT MEMBERS OF VIETNAM'S COMMUNIST
PARTY (CPV) CENTRAL COMMITTEE MET FOR THEIR TENTH
PLENUM SESSION FROM JUNE 26-JULY 4 IN HANOI. THE
PLENUM'S PRIMARY AGENDA WAS TO FINALIZE THE KEY
DOCUMENTS FOR THE NINTH CPV CONGRESS, WHICH IS
TENTATIVELY SCHEDULED TO BE AT THE END OF MARCH 2001.
ACCORDING TO A BRIEFING BY CENTRAL COMMITTEE DEPUTY
HEAD OF IDEOLOGY DAO DUY QUAT, THE PLENUM MEMBERS

AGREED ON "MOST POINTS" OF THE DRAFT TEXTS OF THE FOUR KEY REPORTS -- THE POLITICAL REPORT, THE ECONOMIC PLAN FOR 2001-2005, 10-YEAR SOCIAL/ECONOMIC STRATEGY REPORT FOR 2001-2010, AND THE PARTY STATUTE.

14. (SBU) COMMENT: THIS PLENUM FINALIZED THE WORK OF THE NINTH PLENUM IN APRIL, AT WHICH TIME THE CPV LEADERSHIP HAD EXPECTED TO FINISH THESE DOCUMENTS. THIS DELAY SUGGESTS THAT THE PARTY MAY HAVE TROUBLE STAYING "ON SCHEDULE" TO HOLD THE CPV CONGRESS BY THE END OF MARCH. FIVE YEARS AGO, THE CPV EIGHTH CONGRESS WAS DELAYED SEVERAL MONTHS TO FINISH THE CONSULTATION PROCESS AND REACH AGREEMENT ON KEY DOCUMENTS. ARGUING
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AGAINST A DELAY THIS TIME, HOWEVER, IS THE FACT THAT HANOI WILL BE HOSTING THE ASEAN MINISTERIAL, POST-MINISTERIAL, AND ASEAN REGIONAL FORUM MEETINGS NEXT SUMMER, PROBABLY IN JULY. END COMMENT.

15. (SBU) THOUGH THE DRAFT POLITICAL AND ECONOMIC DOCUMENTS WERE NOT RELEASED TO THE PUBLIC OR CIRCULATED OUTSIDE THE PARTY, THERE WERE NO SURPRISES REGARDING THE THEMES HIGHLIGHTED IN THE PLENUM COMMUNIQUE OR IN BRIEFINGS FOLLOWING THE PLENUM. PICKING UP THEMES CITED IN RECENT SPEECHES BY CPV GENERAL SECRETARY LE KHA PHIEU AND IN THE COMMUNIQUE FOLLOWING THE NINTH PLENUM IN APRIL, THE CENTRAL COMMITTEE ANNOUNCED IT WILL FURTHER OUTLINE HOW VIETNAM PLANS TO DEVELOP ITS "MULTI-SECTOR, MARKET-ORIENTED SOCIALIST ECONOMY." OVERALL THE PLENUM CONTINUED THE PARTY'S EMPHASIS ON STABILITY AND INCREMENTAL ECONOMIC POLICY CHANGE.

16. (SBU) IN A PRESS CONFERENCE AFTER THE PLENUM, QUAT SAID THE CENTRAL COMMITTEE HELD EXTENSIVE DEBATE OVER FOUR MAIN SUBJECTS THAT THE POLITBURO AND PARTY CONGRESS DRAFTING COMMITTEE WERE LOOKING AT REGARDING THE PARTY CONGRESS DOCUMENTS:

-- AN EVALUATION OF THE DOMESTIC AND INTERNATIONAL SITUATIONS, WITH ATTENTION TO THE OPPORTUNITIES AND CHALLENGES FACING VIETNAM IN THE 21ST CENTURY;
-- THE FORMS OF OWNERSHIP ALLOWED IN VIETNAM AND THE VARIOUS ECONOMIC SECTORS IN THIS PERIOD OF "TRANSITION TO SOCIALISM";
-- BUILDING AN INDEPENDENT AND SELF-RELIANT ECONOMY;
-- DIRECTIONS FOR THE CPV'S "PARTY BUILDING" IN THE COMING YEAR.

(COMMENT: THE RUBRIC OF "TRANSITION TO SOCIALISM" IS HOW THE CPV DESCRIBES WHERE VIETNAM IS ON THE ROAD TO ITS GLORIOUS "SOCIALIST" FUTURE, DESPITE THE FACT THAT MARKETS ARE PLAYING AN INCREASINGLY IMPORTANT ROLE IN THE COUNTRY'S ECONOMY. END COMMENT.)
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17. (U) SPEAKING AT THE CLOSE OF THE PLENUM, PHIEU AFFIRMED THE CPV WOULD CONTINUE TO ADHERE TO A MULTI-SECTOR ECONOMY IN WHICH THE STATE PLAYS A LEADERSHIP ROLE. HE REVIEWED, IN DIALECTICAL FASHION, BOTH THE SOCIO-ECONOMIC ACHIEVEMENTS AND SHORTCOMINGS OF VIETNAM IN RECENT YEARS AND SUGGESTED THE KEY TASKS FOR FURTHER DEVELOPMENT, INDUSTRIALIZATION AND MODERNIZATION IN THE YEARS AHEAD.

18. (C) AN OFFICER AT THE CHINESE MISSION IN HANOI INFORMED POLCOUNS THAT THIS YEAR'S POLITICAL REPORT IS MUCH MORE STREAMLINED THAN IN PAST YEARS: 63 PAGES, WITH 10 MAIN THEMES. ACCORDING TO THE PRC MISSION, THIS CONTRASTS WITH THE 1996 POLITICAL REPORT AT THE EIGHTH CONGRESS, WHICH WAS UNWIELDY AT MORE THAN 100 PAGES AND HAD LITTLE THEMATIC UNITY. THE THEMES CITED BY QUAT (PARA 6 ABOVE) COMPRIZE AT LEAST FOUR OF THESE 10 THEMES, ACCORDING TO THE PRC EMBOFF, AND WE BELIEVE THAT, BROKEN OUT INTO SUB-THEMES, THEY MAY COMPRIZE THE BULK OF THE POLITICAL REPORT.

PLENUM FOCUSES ON GLOBALIZATION, THOUGH NOT BTA

19. (U) IN RESPONSE TO QUESTIONS FROM THE MEDIA AND DIPLOMATS, QUAT SAID MUCH OF THE PLENUM DISCUSSION FOCUSED ON GLOBALIZATION, INCLUDING ITS POSITIVE AND NEGATIVE IMPACT. THE CENTRAL COMMITTEE ALSO DISCUSSED AND GAVE GENERAL ASSENT TO A GOVERNMENT INITIATIVE TO
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DEVELOP A "KNOWLEDGE-BASED ECONOMY" TO MAKE GREATER USE OF INFORMATION TECHNOLOGY. (WE WILL REPORT FURTHER ON THESE ISSUES IN FORTHCOMING SEPTEL.)

¶10. (SBU) IN RESPONSE TO A REPORTER'S QUESTION, QUAT SAID THE BILATERAL TRADE AGREEMENT (BTA) WAS NOT DISCUSSED SPECIFICALLY, THOUGH THERE WAS MUCH GENERAL DISCUSSION ON GLOBALIZATION AND ECONOMIC INTEGRATION. CHOOSING HIS WORDS WITH OBVIOUS CARE, QUAT DESCRIBED THE THEN-UPCOMING TRIP OF TRADE MINISTER VU KHOAN TO WASHINGTON TO MEET WITH US TRADE REPRESENTATIVE BARSHEFSKY AND NOTED VIETNAM'S INTEREST IN CONCLUDING THE BTA SOON. HE SAID "IT IS HOPED BOTH SIDES WILL REFLECT ON THE ALL THE FUNDAMENTAL PRINCIPLES" AT STAKE CONCERNING THE BTA, AND THAT IF A TEXT CAN BE AGREED UPON THAT "CONFORMS TO THE PRINCIPLES OF EQUALITY AND MUTUAL BENEFIT," THEN THE BTA CAN BE SIGNED SOON. (COMMENT: THOUGH A CENTRAL COMMITTEE REPRESENTATIVE, QUAT IS NOT A KEY PLAYER ON THE BTA, AND WE DO NOT READ INTO HIS RESPONSE ANY GREAT SIGNIFICANCE, AS IT IS CONSISTENT WITH OTHER RECENT GVN STATEMENTS ON THE BTA. END COMMENT.)

DOCUMENTS PASSED TO LOCAL CONGRESSES FOR DISCUSSION

¶11. (C) ALL OF THE KEY PARTY CONGRESS DOCUMENTS WILL NOW BE TRANSMITTED TO THE LOCAL AND PROVINCIAL PARTY CONGRESSES FOR DISCUSSION BY LOCAL CPV MEMBERS AT "GRASSROOTS LEVELS." ACCORDING TO THE CPV'S POLICY OF "DEMOCRATIC CENTRALISM," THE CPV MEMBERS WILL PROVIDE FEEDBACK AND INPUT TO THE DRAFTING COMMITTEE THAT IS FINALIZING THESE DOCUMENTS FOR PRESENTATION.

¶12. (U) QUAT SAID CPV CONGRESSES AT ALL SUBORDINATE LEVELS -- FIRST LOCAL LEVELS AND LATER PROVINCIAL AND MUNICIPAL LEVELS (THE LATTER FOR LARGE CITIES SUCH AS HANOI, HO CHI MINH CITY AND DANANG) -- WOULD BEGIN MEETING IN AUGUST. QUAT SAID THE PARTY'S NEXT PLENUM WOULD BE HELD AFTER ALL THE LOCAL CONGRESSES ARE CONDUCTED, LIKELY IN OCTOBER OR NOVEMBER. ANOTHER CPV REPRESENTATIVE STATED THERE WOULD BE YET ANOTHER
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PLENUM (WHICH WOULD BE THE TWELFTH) PRIOR TO THE PARTY CONGRESS (PRESUMABLY AT THE BEGINNING OF 2001). QUAT SAID THE POLITICAL AND ECONOMIC DOCUMENTS WOULD BE PUBLISHED OPENLY IN EARLY 2001 SO THAT THE VIETNAMESE PUBLIC AT LARGE COULD HAVE A CHANCE TO COMMENT ON THE DOCUMENTS PRIOR TO THE CONGRESS. (SEPTEL WILL REPORT FURTHER ON THE ROAD TO THE PARTY CONGRESS AND THE MEETINGS LEADING UP TO IT.)

PARTY-BUILDING, SELF-CRITICISM, AND STANDING BOARD

¶13. (U) AT THE PLENUM, GENERAL SECRETARY PHIEU ALSO CALLED FOR CONTINUING THE PARTY-BUILDING AND RECTIFICATION CAMPAIGN, WHICH HE ADMITTED HAD MET WITH LIMITED SUCCESS. (NOTE: FOR THE PAST YEAR THE CPV HAS BEEN ENGAGED IN A CRITICISM/SELF-CRITICISM CAMPAIGN, WHICH HAS LED TO THE CENSURING OF SEVERAL SENIOR PARTY AND GOVERNMENT OFFICIALS, INCLUDING FORMER DEPUTY PRIME MINISTER LOC, MINISTER OF PLANNING AND INVESTMENT GIA, AND FORMER CUSTOMS CHIEF DINH.) PHIEU URGED THAT THE PARTY CONTINUE ITS EFFORTS TO BUILD A STRONGER ORGANIZATION AND MAINTAIN PRINCIPLES AND INTEGRITY. HE RECOMMENDED THAT THE PARTY CONGRESS MEMBERS CONTINUE THIS CAMPAIGN AFTER THE CONGRESS. UNLIKE THE NINTH PLENUM THAT ENDED APRIL 19, PARTY PERSONNEL ISSUES WERE NOT DISCUSSED SPECIFICALLY, ACCORDING TO QUAT.

¶14. (U) IN RESPONSE TO A REPORTER'S QUESTION, QUAT
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SAID THE CENTRAL COMMITTEE VOTED TO RETAIN THE PRESENT STRUCTURE OF THE POLITBURO STANDING BOARD, COMPRISED OF THE CPV'S FIVE MOST SENIOR MEMBERS. AT THE LAST PLENUM, THE CPV HAD CONSIDERED RETURNING TO A POLITBURO SECRETARIAT, COMPOSED OF STAFF PRESUMABLY TO HELP THE SENIOR POLITBURO MEMBERS DEAL WITH THE PRESS OF BUSINESS ON THEIR SCHEDULES. HOWEVER, QUAT SAID THE PLENUM WOULD NOW RECOMMEND TO THE PARTY CONGRESS TO MAINTAIN THE PRESENT STRUCTURE.

¶15. (C) IN RESPONSE TO ANOTHER QUESTION, QUAT SAID THERE WAS NO DISCUSSION OF WHETHER TO COMBINE THE ROLES OF PARTY GENERAL SECRETARY AND STATE PRESIDENT. (COMMENT: WE UNDERSTAND THIS ISSUE, WHICH WOULD ALLOW PHIEU TO ATTAIN THE DUAL STATUS SIMILAR TO THAT HELD BY PRC PRESIDENT JIANG, CONTINUES TO BE DISCUSSED

WITHIN THE PARTY LEADERSHIP AND MAY YET BE ADOPTED AT
THE PARTY CONGRESS, THOUGH THE OUTCOME IS UNCERTAIN.
END COMMENT.)

¶16. (C) COMMENT: THIS PLENUM CONTAINED LITTLE OF SURPRISE. THE CENTRAL COMMITTEE FINALIZED DRAFTS OF THE KEY PARTY REPORTS, AND WE SEE LITTLE VISION AMIDST THE THEMES HIGHLIGHTED. THE BROAD DEBATE ON GLOBALIZATION AND A "KNOWLEDGE-BASED ECONOMY" IS INTRIGUING TO US; OUR DISCUSSIONS WITH GOVERNMENT AND THINK TANK SOURCES SUGGEST THERE IS A GROWING REALIZATION AT MID-LEVELS OF THE CPV AND GOVERNMENT OF THE IMPORTANCE OF VIETNAM'S MOVING FORWARD WITH ECONOMIC REFORMS IN ORDER TO BE ABLE TO PARTICIPATE IN THE BENEFITS OF GREATER TRADE AND THE POSSIBILITIES OF INFORMATION TECHNOLOGY. HOWEVER, AS ALWAYS IN THIS HIGHLY PATERNALISTIC POLITICAL CULTURE, WHAT DECIDES THE DAY IS WHAT THE SENIOR-MOST LEADERS OF THE POLITBURO THINK ON THESE QUESTIONS. EXPERIENCE SHOWS THEY PREFER A CAUTIOUS, INCREMENTAL APPROACH. END COMMENT.
PETERSON

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